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DATE: June 8, 1998

REPLY TO
ATTN OF: Jane Whang

SUBJECT: Ex Parte Submissions for the Record

TO: Magalie Roman Salas

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FEDERAL COMMUNICATIONS COMMISSION
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Please find enclosed documents that were submitted to the Commission in preparation for the en banc on June 8, 1998, in CC Docket Nos. 96-45, 97-160, and DA 98-715. The documents were submitted by the following parties: AT&T, Ameritech, Arizona Corporation Commission, Mark Cooper, GTE, and Sprint. Please place them on the public record. Thank you.

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CC Docket #
96-45, 97-160
DA 98-715

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PRESENTATION
OF
JOEL LUBIN, AT&T CORP.
TO
CC DOCKET 96-45 UNIVERSAL SERVICE EN BANC (6/8/98)
ON
PROPOSALS TO REVISE THE METHODOLOGY FOR DETERMINING UNIVERSAL SERVICE SUPPORT

Thank you for giving me the opportunity to speak before you today on proposals to revise the methodology for determining high cost support. AT&T supports the Commission's proposed 4-step methodology for determining high cost support. However, the Commission should revise the timing and the implementation of that methodology.

First and foremost, the Commission should withhold payment of any high cost support targeted for major non-rural LECs (RBOCs, GTE, and SNET), regardless of the methodology employed to determine that support. The notion of giving distributions to these major LECs from an explicit fund - one that ultimately is supported by revenues from their competitors - is untenable. These LECs are giant corporations earning record profits. They certainly have the wherewithal to deal with their own high cost needs. As AT&T demonstrated in its May 15, 1998 comments, in the vast majority of cases, the major LECs' current local revenues compensate them fully for all of their universal service costs. For 62 of the major non-rural LECs' 71 study areas, end-user local service revenues alone, including the interstate SLC, exceed the forward-looking cost of service (and, indeed, exceed those costs by $23 billion in aggregate). In the 9 study areas where such revenues fall short of forward-looking costs (and even here the shortfall is only $193 million in aggregate), these LECs have many additional sources of support, CC Docket Nos. 96-45, 97-160 DA 98-715

including intrastate toll, wireless, and yellow pages. And this is before they turn to access charges for even a penny of support. Any further explicit federal support payments to these LECs should be canceled until they can show that such payments are necessary.

I'd like to emphasize that our proposal of withholding payments to the major non-rural LECs should apply under the current support methodology as well. Today, approximately $110 million of the $1.7 billion explicit federal fund is paid to the majors. This amount was determined by a joint federal-state agreement that was developed in a monopoly environment. It is counter to the competitive landscape explicitly anticipated by the Telecommunications Act. Equally as distressing as the fact that the major LECs do not need this money to support universal service, is the use to which it has been put: endless litigation designed to undermine the competitive purposes of the Act, and frustrate the development of local competition. Therefore, these payments should be discontinued.

AT&T does not oppose payment of high cost support for the non-major LECs. However, the Commission should not adopt a methodology that would increase needlessly the size of the fund. Yet, the Commission's proposed methodology, if it determines high cost funding requirements at the wire center level or below, would do just that. To ensure that ratepayers are not burdened with funding support payments beyond what is needed to ensure universal service, the Commission should instead calculate support at the study area level. As the Commission itself recognized in the Universal Service Order, universal service support

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should not be calculated at a greater level of geographic disaggregation than unbundled network elements ("UNEs"). Most states have not disaggregated UNE rates below the study area level, and, those that have, have disaggregated them into only three or four rate zones. In addition, even this slight disaggregation remains more of a theoretical curiosity - rather than providing a real competitive opportunity. Because of excessive "glue" charges, nonfunctional operations support systems, and other anticompetitive conditions, even in the few states that have disaggregated UNE rates there has been no ability for new entrants to compete. Therefore, the Commission should continue to calculate support at the study area level in all states - as it does under the current system.

Finally, because the underlying predicate for the establishment of a new universal service system - local competition - has thus far been stymied, it is not necessary to implement a new high-cost support system on January 1, 1999. Section 254(a)(2) of the Act expressly authorizes the Commission to establish a "timetable for implementation" of the new universal service system that is consistent with the standards and purposes of the Act. But there has been no entry into the local and exchange access markets sufficient to put any competitive pressure on those existing sources of universal service contribution. Therefore, the Commission can and should lawfully postpone implementation of the redesigned system until such competition arrives.

Thank you, and I look forward to answering your questions.

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Thomas J. Reiman
Senior Vice President
Public Policy

Thomas J. Reiman is senior vice president of public policy for Ameritech, responsible for developing and responding to the company's long-term policy issues.

A worldwide leader in making communications easy, Ameritech serves millions of customers in 50 states and 40 countries. Ameritech provides a full range of communications services - including local and long distance telephone, cellular, paging, security monitoring, cable TV, electronic commerce, on-line services and more. One of the world's 100 largest companies, Ameritech has 69,000 employees, 1 million share owners and $24 billion in assets.

Reiman was appointed to his current position in October 1997 after serving as Ameritech's senior vice president of state and government affairs. Prior to that, he was president of product management, responsible for a product development organization made up of teams in each Ameritech business unit. He also served as president and chief executive officer of Ameritech Indiana for two years. Previous positions at Ameritech include: vice president-sales and service; vice president-marketing and secretary to the company, and vice president-general counsel. Before joining Ameritech Indiana in 1986, he held various legal department assignments - including Ameritech vice president and associate general counsel and Ameritech Michigan attorney. He began his career in AT&T's legal department.

Reiman is a member of the board of directors of Anicom, Inc. and Evanston Northwestern Healthcare. He is on the board of trustees of the University of Indianapolis and a member of the Columbia Institute for Tele-Information's advisory board, the Brookings Council President's Circle, and the Metropolitan Planning Council's board of governors.

Good morning, my name is Tom Reiman, and I am Senior Vice President of Public Policy at Ameritech. With me is Dick Kolb, director of Universal Service at Ameritech, and our subject matter expert.

I am mindful of the thousands of pages of incredibly complex comments, plans, studies and formulas that have been filed with this Commission on the subject of Universal Service and the High Cost Fund. I will try not to add to the complexity.

Ameritech's message is actually quite simple this morning:

Stay the course with a smaller fund, continuing the pressure on the states to carry their share of the burden. Contrary to much of the rhetoric flowing around Washington on this topic, the Commission's original proposal of a 25/75% jurisdictional split, funded by interestate revenues, is the best plan currently before the Commission. It maintains the current Federal level of responsibility while allowing the states to come forward with their own innovative approaches for their share of the total solution.

Fourteen (14) years ago, as Associate General Counsel for the newly created Ameritech, I spent months here in Washington negotiating, debating and arguing with Bert Halprin, then Chief of the Common Carrier Bureau, on what the first Federal Access Charges should look like. Guess what, the issues weren't much different then than they are today: making implicit subsidies explicit; recovering subsidies in a competitively neutral manner; minimizing rate increases to end-users; and, keeping telephone service affordable and universally available.

Underlying the debate, than and now, are four basic tenets:

- Subsidies and free market competition are natural enemies;
- Subsidies should be collected in a competitively neutral manner (and there is no truly competitively neutral manner as long as they are collected by one or more of the competitors);
- End-user customer rate increases are politically unpopular, and,
- It's the public policy of this nation to keep telephone service affordable.

Now, how does this history and these factors apply to Universal Service, and the High Cost Fund in particular?

Well, let me answer it this way. If we were starting with a clean sheet of paper, we would not design the system we have today that this Commission and the state commissions are trying so hard to make work.

I submit that this Commission would create a plan designed to deliver a set of desired results:

- Affordable local service (and, by the way, studies show that affordable toll rates are also integral to high subscribership levels).
- Robust competition in all markets.

- Increased infrastructure investment leading to new and innovative services.

Competition and investment are driven by economically rational pricing. Simply stated: local rates must at least cover their costs.
Once local rates are set to cover costs, then affordable service is maintained by targeting subsidies only to customers who can't afford to pay the full rate. (As an aside, Ameritech strongly believes that both the collection and distribution of those subsidies should be done by the government, outside of telecom service pricing. It's a tax – treat it like a tax.)

We would not design a system that subsidizes 60-70% of the cost of telephone service of an Ameritech officer's Beaver Creek, Colorado condominium.

We would not design a system that subsidizes rates that have been kept far below any rational definition of reasonable (like $5/mo. where the state-wide average is closer to $12).

However, we don't have a clean sheet of paper. We have a huge and complex system in place. But this Commission and the state commissions should keep these desired results firmly in mind, and all decisions should drive the system closer to, not farther away from the desired results.

Using this model, it's clear, I submit, that this Commission is on the right track staying with its current proposal, based on a 25-75% jurisdictional split, funded on the basis of interstate revenues.

Not only is this consistent with the historical separations formula, but – more importantly, it keeps in place the incentive for the states to fix their part of the problem which is setting economically rational local rates. Expanding the Federal Fund to cover more of the subsidy is a move in the wrong direction. It sends the wrong message. It does not move closer to the desired results.

As Chairman Kennard said, "The vast bulk of universal service support today is generated and spent within the boundaries of each state. This means that the real key to subsidy reform is <u>state</u> rather than <u>federal</u> action...unless states act promptly to reform <u>intrastate</u> implicit subsidies, both incumbent and new entrants will be hobbled competitively."

Ameritech has worked hard on lowering its costs. Some of our state commisions are national leaders in moving towards economically rationale local rates. As a result, Ameritech is the only RBOC that receives <u>no</u> high cost support today. Don't punish our customers for our leadership position by asking them to substantially increase the amount of subsidy they send out of state.

Let's not move backwards. Don't use the Federal High Cost Fund as a quick and easy fix to local rate inbalances suffered by nationwide local carriers. Challenge the industry and the policy makers in the states to fix local prices so that residential competition can flourish. Then build on that base to refine the system so that subsidies only go to those who truly can't afford to pay cost-based rates. This is what is happening around the world as other nations – in Europe, Canada, Mexico, New Zealand and the Philippines, among others – tackle this issue. Let's not fall behind.

To quote from the ads for the current movie *Godzilla*: "Size does matter." Only with subsidies, I submit, smaller is better.

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DA 98-715

Testimony of
Commissioner-Chairman James M. Irvin
of the Arizona Corporation Commission

Presented to the
Federal Communications Commission
on the Arizona Corporation Commission's
Proposal for Distribution of Federal USF Funds

June 8, 1998

I. INTRODUCTION

Good Morning. My name is Jim Irvin and I am the Chairman of the Arizona Corporation Commission. I want to thank you for the opportunity to speak to you today about one of my main concerns since being elected as a Commissioner in January of last year; a concern which is shared by my fellow Arizona Commissioners Renz Jennings and Carl Kunasek. However, first I want to say that I am honored to be here and appreciate the time provided me to discuss Arizona's Proposal. Unfortunately, due to problems with flight availability, I will not be present for this afternoon's session. Thus, if you have specific questions you would like me to address, I would ask that you do so this morning during the designated time. I would also like to introduce Maureen Scott, an attorney from our Legal Division who has been working on this issue. Ms. Scott will be here this afternoon and will be happy to answer any questions you may have after my departure.

I want to start by commending you and your staff, Emily Hoffnar, Valerie Yates, Richard Metzger, Jim Schlichting, Larry Povich, and Lori Wright to name a few, for all of their excellent and hard work in this area and for your willingness to hear from your fellow state commissioners, such as myself, on this important issue. It demonstrates that you are willing to listen

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of the Arizona Corporation Commission

to what we have to say, and work with us to get the job done right. I also want to thank some of my fellow state commissions and NARUC representatives, the NARUC Ad Hoc Working Group, the Maine, Vermont, South Dakota, Texas, Colorado and New York Commissions and Brad Ramsay for all of their considerable efforts on this issue. Our Proposal is not meant to detract from the considerable efforts of these states or groups. They should be commended for their fine efforts. Rather than a substitute, our Proposal should be considered an addition to any of the comprehensive Proposals filed.

The Arizona Corporation Commission's Proposal is different from the others that you will hear about today. Unlike the other Proposals filed with you, Arizona's is not meant as a comprehensive alternative to the proposed High Cost Fund distribution methodology. Our Proposal does not deal with the amount of federal support to be received by each state under the forward looking costing methodology used to determine high-cost loops. It, however, does deal very much with the issue of the distribution and allocation of federal universal service funds. Specifically, it deals with the issue of getting loops in place in high-cost areas of each state so that all consumers who want telephone service are able to get it. You might also look at our Proposal as a partial alternative to the existing distribution methodology.

Personally, I feel very strongly about the issue of unserved customers which is why I am speaking before you now. Since becoming a Commissioner, I take every opportunity available

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to bring attention to this enormous problem. What I have learned over the last year and a half is that this issue is just too big for one person and one state commission to try to solve.

If there is an overriding theme that I would like to leave with you today -- it is that you are dealing with 50 very different states with different terrains, demographics and universal service concerns. I have attached as Exhibit A of my written testimony, maps containing topographical, demographic and other information on Arizona. The purpose of these attachments is to attempt to demonstrate that what works in Pennsylvania or California -- is not going to automatically work in Arizona or Florida. So whatever you do, please give states enough flexibility so that we can address our individual issues as effectively as possible.

Let me now discuss the problem addressed in our Proposal. Arizona has what we call "unserved" and "underserved" consumers who cannot get telephone service because in many cases they cannot afford to pay the charges associated with having facilities or plant extended to their homes. As a state regulator, I am here to tell you that this is a very emotionally charged issue which we cannot choose to ignore any longer as state and federal regulators. I am confronted with the realities of this problem on almost a day to day basis. For purposes of my presentation today, I will address this issue in three parts: first, the problem of unserved and underserved customers itself; second, why this problem exists at least in Arizona, and third, what we as federal and state regulators can do.

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of the Arizona Corporation Commission

II. THE PROBLEM

I want to start out by defining what I mean by "unserved" and "underserved" consumers. When I refer to "unserved" consumers, I am referring to consumers without telephone service who are located outside the exchange boundaries of any incumbent local exchange carrier. When I refer to "underserved" consumers, I am referring to consumers without telephone service who are located within the exchange boundaries of an incumbent local exchange carrier. However, in general, the underlying problem has been the same in both cases -- these consumers cannot afford to pay the line extension or construction charges associated with extending facilities to their homes.

Attached to my written testimony are several exhibits which were put together largely from data recently provided by Citizens Utilities ("Citizens"). Citizens has three telephone operating companies in Arizona: Citizens Telephone Company of the White Mountains, Navajo Communications and Citizens Rural Telephone Company. Exhibit B of my testimony contains a random sample of recent line extension estimates given by Navajo Communications to consumers within its service area. Those estimates range from a high of $83,160.00 to a low of $18,480.00, with the average quote from this sample being approximately $44, 726.00. These are actual charges that the customer will have to pay before service is established. Also attached to my written testimony as Exhibit C are copies of the actual letters to the consumers to whom the quotes were provided. These letters contain relevant backup data for the estimates provided.

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My next Exhibit (D), contains data provided by Citizens Telephone Company of the White Mountains. This Exhibit lists various underserved areas within the Company's exchange boundaries, the number of known dwellings in each, the square mileage involved, requests for service received to date, the average quote for line extension charges in each area, and the number of consumers that have been able to pay this initial up-front fee to have the telephone facilities put in place to their homes. If you look at the bottom of page 2 of Exhibit D, it indicates that of the 691 known consumers in these areas, 288 have requested service; but only 74 have been able to pay the line extension charges required to extend the necessary facilities to their dwellings. Thus, only 11% of these consumers have service to date or only 26% of those who requested estimates from Citizens of the White Mountains. In the examples given in Exihibit D, the average quotes for line extension charges range from a high of $14,412.00 to a low of $314.00. Again, this is the range of charges that each customer will have to pay in order to get service, depending upon their location.

I've also attached to my written testimony (Exhibit E), examples of some of the complaints received by the Arizona Commission over the last year from consumers unable to obtain telephone service because they could not afford to pay the high line extension or construction charges associated with putting the necessary telephone plant in place. Please keep in mind that most people do not bother to file complaints with the Commission, so the complaints received by the Commission represent but a very small percentage of the consumers in Arizona affected by this problem.

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On a more personal level, our Staff has been working with Larry Povich of your Agency on a complaint which the FCC received recently from Ms. Ella Bohn who lives approximately ten miles east of the town of Snowflake, Arizona. Ms. Bond is an elderly woman living on a fixed income who has been trying to get telephone service since 1993. She has no running water, no electricity and no telephone service. Not long ago, she indicated that her husband died in her arms because she had no way to summon emergency assistance. In June, 1993, Ms. Bohn was provided with an estimate of $2,669.83, plus costs for private right of way. In October, 1997, Ms. Bohn was provided with another estimate of between $2,700 to $3,200, plus possible easement costs or survey costs. Finally, in 1998, Ms. Bohn was provided with an estimate of approximately $1,500.00. However, even this cost which may be manageable for some of us, is not for low-income customers such as Ms. Bohn who are living on a fixed income. I will speak more to Ms. Bohn's case later in my comments and to the actions that have been taken to address her particular situation.

Citizens estimates that in its Navajo service area alone, it has approximately 18,000 customers living in underserved areas. The Company has indicated that this is a conservative estimate which is indicative of the enormity of this problem in Arizona alone.

III. EXISTING MEASURES ARE INADEQUATE

Briefly, I would like to discuss why existing measures are inadequate to address this problem. First, at the state level, most incumbent local exchange carriers have line extension charge

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tariffs that apply when facilities must be constructed to an area for service provisioning. Line extension and construction tariffs are not unique to Arizona. They are commonly used throughout the telephone industry in instances where facilities are not yet in place to provide telephone service. Exhibit F, appended to my written testimony, contains the approved line extension tariffs of several Arizona local exchange carriers. These tariffs are used to apportion costs more fairly among ratepayers so that the general body of ratepayers will not be unduly burdened with the costs of extending new facilities to outlying areas, particularly in a case such as Navajo Communications which I will discuss later.

When an underserved customer, or one within the certificated area of an incumbent local exchange carrier requests service, the company will typically do an engineering study to determine the cost of constructing the facilities needed to provide service. As an example of how a typical line extension tariff is applied, lets assume the incumbent local exchange carrier decides to install a six-pair cable to serve the area where a potential customer is and the actual cost to construct the cable is $30,000. Lets also assume the carrier's tariff allows for a $2,000 free allowance for each customer, therefore, the total allowance for the six-pair cable would be $12,000 ($2,000 times 6 connections). This leaves $18,000 ($30,000 less $12,000) to be paid by the six possible connections which equals $3,000 per connection. Thus, in the example given, a customer requesting service would first have to pay a $3,000 line extension charge before he or she could get telephone service. Any future customers served from the same facility would also have to pay the

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same $3,000 charge before they could get telephone service. As I discussed earlier, these charges range anywhere from several hundred dollars up to thousands of dollars or more. Many customers, however, cannot afford to pay even the reduced, pro-rated cost provided for under line extension tariffs.

Second, most of the FCC's support programs are geared toward keeping the recurring monthly telephone rates low for customers who already have telephone service. For example, the FCC's Lifeline Program provides a credit toward the monthly rates of low-income customers. While I am fully supportive of this program, it provides no assistance to low-income customers who cannot obtain service because they cannot afford the up-front charges required to put facilities in place.

Similarly, the High Cost Fund is also geared toward ensuring that customers who already have telephone service continue to have affordable monthly rates. The program does not address the problem faced by consumers who do not have telephone service and cannot afford to pay the line extension or construction charges required under company tariffs to put the necessary telephone plant in place.

Third, the FCC's Link Up Program provides a reduction to the carrier's customary charge for commencing telecommunications service for a single telecommunications connection at a customer's place of residence. No assistance is provided to offset line extension or construction charges, which act to prevent the establishment of service in many of these cases.

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Finally, the Rural Utilities Service does provide some assistance through low interest loans to companies for the purpose of bringing facilities into remote areas. However, these loans are not available in all cases. In addition, in a competitive marketplace the provider's focus, and hence its capital commitments, appear in many cases to be upon more lucrative and less risky markets than the rural, unserved or underserved areas. Moreover, line extension charges may also be applied even when the local exchange carrier plans to purchase the facilities with low cost Rural Utilities Service loans.

IV. ADDRESSING THE PROBLEM

Our Commission established the Arizona Universal Service Fund Task Force last year with one of its primary purposes being to determine ways of bringing service to unserved and underserved customers in the state. Through our efforts, we have been able to identify at least 17 areas of the state outside the exchange boundaries of the incumbent local exchange carriers with unserved customers. Exhibit G appended to my written testimony shows the areas identified by the Task Force to date. The Arizona Commission recently approved the application of Table Top Telephone Company to begin providing service to two of these areas. We have also received applications from Midvale Telephone Company to begin service to some of the remaining areas. However, Midvale's applications, in many instances, are dependent upon its ability to obtain significant assistance from both federal and state universal service funds.

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Among the Arizona Universal Service Fund Task Force's more recent efforts are proposed revisions to the Commission's existing universal service rules to provide up-front assistance from the fund to put facilities in place to serve consumers located in "unserved areas" of the state, or outside the exchange boundaries of the existing incumbent local exchange carriers. We are still examining ways, in addition to this Proposal, to assist consumers located in "underserved areas" of the state, such as Ms. Bohn. In Ms. Bohn's case, Citizens Utilities has agreed to allow Ms. Bohn to make 25% of this up-front payment initially, with the remainder spread over 12 months. They are also considering making this arrangement to other low-income customers. I am very pleased to report that last Friday I learned that Ms. Bohn has signed an agreement with Citizens and the Company is starting to process her application. However, in many cases, even with this type of arrangement, the cost will still be too prohibitive for many low-income customers.

In our Proposal, we set forth a series of steps that we believe should be considered by your Agency and the Federal-State Joint Board to begin to address this problem under Section 254 of the Telecommunications Act of 1996. We believe it is necessary to define and recognize the problem at the federal level for purposes of the federal universal service fund. It is also necessary to determine the extent of the problem not just in Arizona, but on a nationwide basis. Exhibit H to my written testimony contains a series of data requests recently sent out by our Staff to all incumbent local exchange carriers in Arizona. Through these data requests, we hope to obtain more information on the extent of this problem in other incumbent carrier's service areas in Arizona. We

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intend to submit the data telephone carriers provide in response to these questions to your Staff for their information and review in conjunction with Arizona's Proposal in this Docket. We would suggest that your Agency and the Federal-State Joint Board gather similar information from other states to determine the extent of this problem on a nationwide basis.

Our Proposal is focused upon low-income customers who meet the federal Lifeline default eligibility criteria. This would ensure that customers who are truly in need, such as Ms. Bohn, receive whatever assistance is made available. I have attached as Exhibit I to my written testimony, some data provided by Citizens on income and poverty status and housing characteristics in the Navajo Nation. Citizens, as I mentioned earlier, serves a portion of the Navajo area. For the Navajo Nation as a whole, occupied housing units without a telephone total 28,688. This constitutes an astounding 77.5% of all households in the Navajo Nation.

Based upon the information we have provided, it is my hope that you will find merit in our Proposal to allocate a fixed amount of federal universal service funds to partially offset line extension or construction charges associated with extending telephone facilities to low-income customers. Your Agency could begin by allocating a small amount of federal funds at this time, perhaps with further allocations once more information on the extent of the problem is obtained. Portions of the amount allocated could be disbursed to the states experiencing this problem in the form of block grants. Applications for these block grants could be made on an annual basis based upon the extent of the problem in the individual states and individual carrier's service areas. The

Federal-State Joint Board would be responsible for initially determining a set of criteria or standards for the distribution of these funds. State universal service funds, such as the Arizona Universal Service Fund, could provide matching block grants or additional funds to be used for this purpose. It would be the ultimate responsibility of the individual states to apportion these funds, verify that the costs to provide service are reasonable and ensure that the money is used for its intended purpose.

V. CONCLUSION

I want to conclude by again thanking you for the opportunity to present the Arizona Corporation Commission's Proposal to you in person. I hope given the nature of this problem, that you will give it serious consideration. I look forward to working with you on this important issue in the future and if I can be of further assistance to you as you consider this issue, or provide you with more information on the work of the Arizona Universal Service Fund Task Force, please do not hesitate to call upon me at any time. As you undertake the difficult task of sorting through the Proposals and making your ultimate decision in this Docket, I would ask that you please keep in mind the "unserved" and "underserved" low-income customer and that a one-size-fits-all solution will not work as effectively as one tailored to meet the needs of the individual states and carriers. Thank you again.

CC Docket# 96-45, 97-160
DA 98-715

Arizona Corporation Commission

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Phoenix, Az. 85007
(602) 542-3402 - Fax: (602) 542-4870

FAX TRANSMISSION COVER SHEET

Date: June 4, 1998

To: Emily Hoffnar

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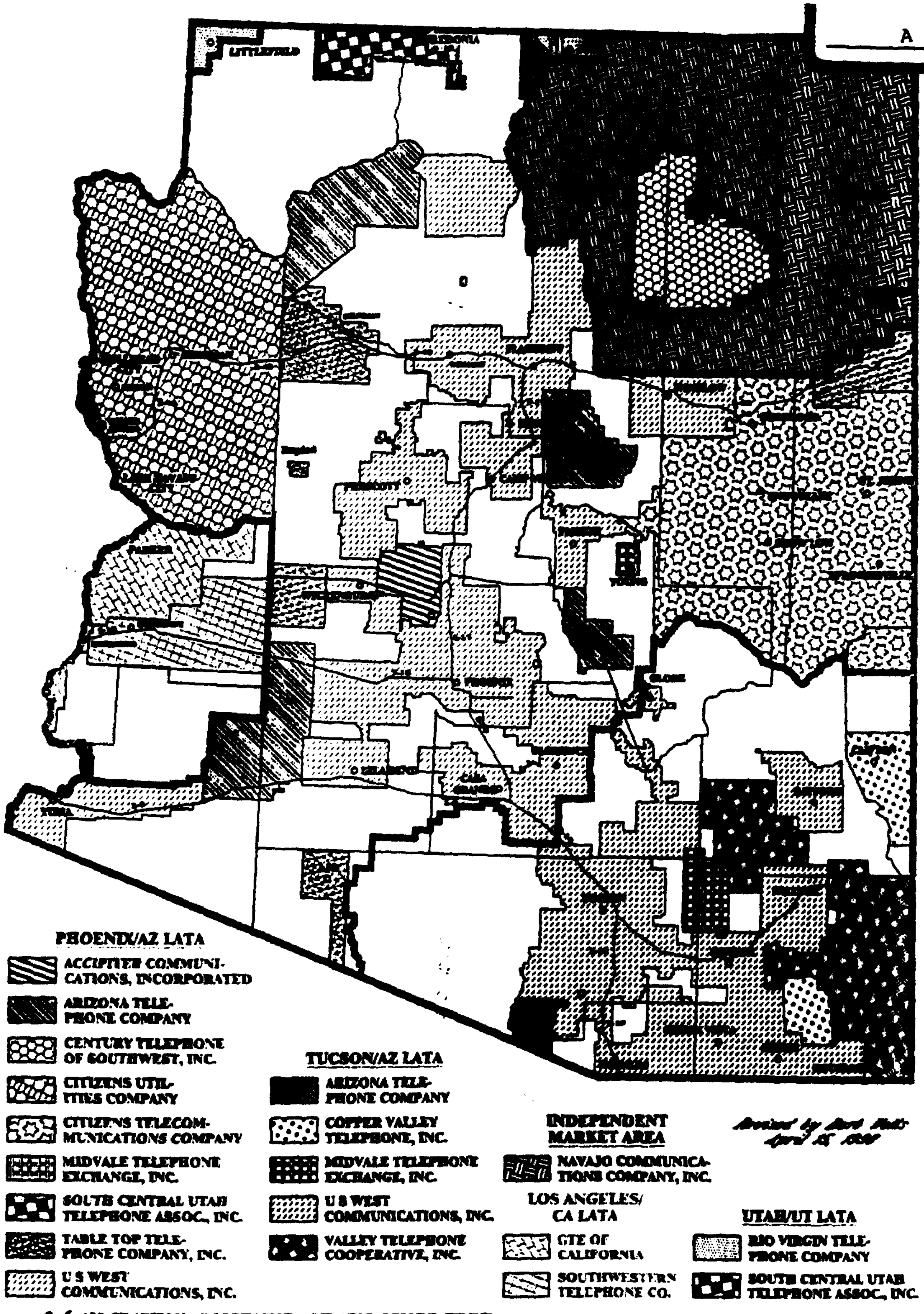
Sender: Maureen Scott

YOU SHOULD RECEIVE ____ PAGE(S), INCLUDING THIS COVER SHEET. IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL MARY IPPOLITO AT (602) 542-6385.

Exhibits
for Chairman Irvin's speech.
Thx

A



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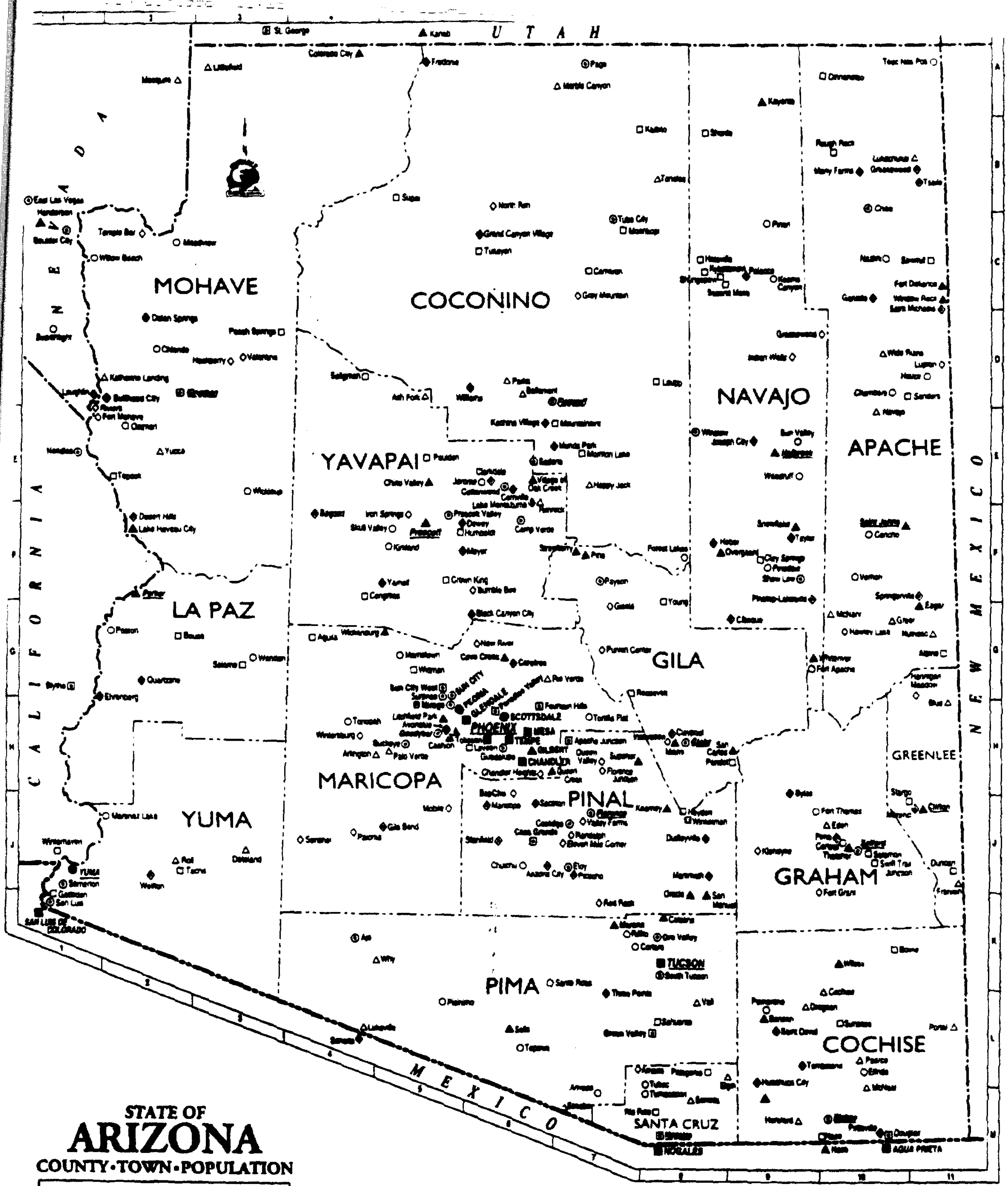

STATE OF ARIZONA

COUNTY • TOWN • POPULATION

LEGEND

◇ PNR (Population Not Recorded)	⊛ 5,000-9,999
△ Under 250	⊞ 10,000-19,999
○ 250-499	◆ 20,000-24,999
□ 500-999	▲ 25,000-49,999
◆ 1,000-2,499	● 50,000-99,999
▲ 2,500-4,900	■ Over 100,000
County Seat: Prescott	Capital: PHOENIX

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